



2003 ANNUAL REPORT

Professional Telephone Soliciting for Charity, Police and Firefighter Groups



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Connecticut Groups Received \$2.86 Million of \$8.04 Million Raised in Their Name by Paid Telephone Solicitors

Telephone solicitors hired by Connecticut civic, charitable and public safety organizations raised \$8.04 million in 2003, one of the lowest totals in the 17 years the state has maintained figures and a big drop from the \$13.88 million collected the year before.

While donations fell significantly, the share received by charities and public safety groups hit an all-time high. Paid solicitors turned over a record 35.52 percent – more than \$2.85 million – to charitable groups that hired them.

These are highlights of Connecticut's 17th annual telephone solicitation survey. The Public Charities Unit, operated jointly by the offices of Attorney General Richard Blumenthal and Consumer Protection Commissioner Edwin R. Rodriguez, compiled the report. It shows that 124 Connecticut organizations hired commercial telemarketing companies to conduct 132 telephone solicitation campaigns during 2003.

The percentage of donations passed on to charitable and public safety organizations has risen steadily since the state's first annual survey in 1987. While even this year's record of 35.52% remains disappointing, the steadily increasing percentage is

significant and may indicate that Connecticut groups are using the annual survey to shop for the best deal.

The rising percentage means more money for these groups. They would have collected about \$700,000 less this year if charities still received the paltry 25.28 percent of the proceeds they did in 1987.

The survey also includes data on 147 charitable organizations – most out of state – that solicited by telephone in Connecticut as part of a multi-state fundraising campaign. These groups are not required to provide a breakdown of donations by Connecticut residents, so figures in this report are national totals.

A review of these multi-state campaigns reveals that public safety organizations (police, fire and emergency services) received just 9.56 percent of the proceeds, an extraordinarily low percentage. The eight public safety charities that hired companies to solicit state residents by phone as part of a multi-state campaign collected just \$1.62 million of the \$16.99 million raised. In contrast, 90 Connecticut-based public safety-related charities did much better, receiving \$2.26 million, or 34.07 percent, of the \$6.62 million raised in their names.

Blumenthal and Rodriguez advise Connecticut consumers to think carefully before donating to a public safety group conducting a multi-state campaign. Consumers should find out as much as possible before giving to such an organization.

2003 Survey Summary

- \$8,040,144 contributed through paid solicitors to Connecticut groups, one of the lowest totals ever.
- 35.52% of funds contributed to Connecticut groups reached the intended beneficiaries, the highest percentage ever.
- 124 Connecticut groups used paid soliciting firms. As in all prior years in which the survey was conducted, the biggest users of paid telephone marketers were police and firefighter groups.
- Multi-state public safety-related groups received only 9.56% of money donated.

The survey does not cover campaigns that started in 2003 or earlier, but end this year or later. Future annual surveys will include information on those campaigns. The names of those organizations and their paid solicitors are listed in this report as Table D.

This report is based on data from the financial reports that paid soliciting

firms must file with the Public Charities Unit at the close of each fundraising campaign. The reports disclose the amount contributed, fees and other costs and the total received by the charitable, civic or public safety organization. The organizations must certify the accuracy of these financial reports.

As displayed in the graph below,

annual, inflation-adjusted totals raised by Connecticut organizations through paid solicitors have ranged in recent years from \$8 million in 2003 to \$14 million in 2002. The survey totals do not include the value of increased name recognition, public awareness or other non-cash benefits that an organization may feel it receives from a paid solicitation campaign.



Tips To Help The Public Avoid Unscrupulous Telephone Solicitors — *Developed by the Better Business Bureau Wise Giving Alliance, a merger of the National Charities Information Bureau and the Council of Better Business Bureaus Foundation and its Philanthropic Advisory Service.*

1. DO NOT succumb to pressure to make an immediate gift. A legitimate charity that wants your donation will welcome it just as much tomorrow or next week. Report harassing calls to your state attorney general's office and to the Better Business Bureau in your area.
2. DO NOT give your credit card number, bank account number, or other personal financial information to unknown solicitors. If you want to contribute, mail a check to the organization's address after checking out the charity.
3. DO NOT hesitate to seek out additional facts. If you receive a telephone appeal from an unfamiliar charity, ask the solicitor to mail you information on the charity's programs, finances, and/or a copy of its latest financial statements.
4. ASK HOW MUCH THE CHARITY SPENT ON FUNDRAISING IN THE PAST YEAR as a portion of total contributions received. The BBB Alliance recognizes that the cost of an individual fundraising campaign using the telephone may exceed donor expectations for the use of funds. On an annual basis, however, the voluntary Alliance charity standards recommend that total fund-raising costs should not exceed 35% of total related contributions.

5. **WATCH OUT FOR NAME SIMILARITY.** In view of the volume of charities (more than 850,000 organizations have received charitable tax exempt status from the IRS), there are many organizations raising money for the same cause. Unfortunately, some names are used to confuse potential donors and sound similar to well-known organizations.
6. **IF A POLICE OR FIRE-FIGHTER ORGANIZATION** is using the telephone to solicit funds, ask what type of organization is soliciting (e.g., charity, fraternal group or union), if any local police officers or firefighters are involved, and what specific program(s) will the donation support? For additional advice on police and firefighter organizations, go to www.give.org/tips/policefire.asp
7. **CHECK OUT THE CHARITY** with the BBB Wise Giving Alliance (www.give.org) to find out if a national charity meets the 20 voluntary Alliance charity standards or with the local Better Business Bureau (www.bbb.org) if the inquiry is about a local charity, and with your state's charity registration office (usually a division of the state attorney general's office).

Charity Information Resource Guide

Here is additional information to help you be a discerning donor:

There are more than 8,500 organizations on file with the Public Charities Unit that are able to solicit funds in Connecticut. They include charitable, civic, police and firefighter groups. About 4,100 of these organizations are required to file financial reports annually. Religious organizations, hospitals, educational institutions, government-affiliated organizations and organizations that normally raise less than \$50,000 per year are not required to file financial reports. The report contains information on income and expenses and a brief description of the organization's programs. The Public Charities Unit prepares a summary of each financial report. To obtain a

summary of the financial report or a copy of a complete financial report for a particular organization, write or call:

Department of Consumer Protection
Public Charities Unit
c/o Office of the Attorney General
55 Elm Street, P.O. Box 120
Hartford, CT 06141-0120
(860) 808-5030

or you may contact us at our web sites:

<http://www.cslib.org/attygenl>
<http://www.ct.gov/dcp>

There are two private watchdog organizations that evaluate the performance of larger, national charities. To obtain further information, contact:

BBB Wise Giving Alliance
4200 Wilson Boulevard
Arlington, VA 22203
(703) 276-0100
<http://www.give.org>

American Institute of Philanthropy
3450 Lake Shore Drive
P.O. Box 578460
Chicago, IL 60657
(773) 529-2300
<http://www.charitywatch.org>

In addition, the Philanthropic Research Institute has a searchable database of over 850,000 charities and other nonprofit organizations. You can access the images of financial reports the organizations file with the Internal Revenue Service. Its Web address is: www.guidestar.org

Guide to Survey Tables	Pages
Connecticut Organizations Listed Alphabetically	A1 to A5
Connecticut Organizations Listed By Town	B1 to B5
Multi-State Campaigns Listed Alphabetically	C1 to C8
On-Going Connecticut Campaigns Ending in 2004 or Later	D1 to D3
On-Going Multi-State Campaigns Ending in 2004 or Later	E1 to E5